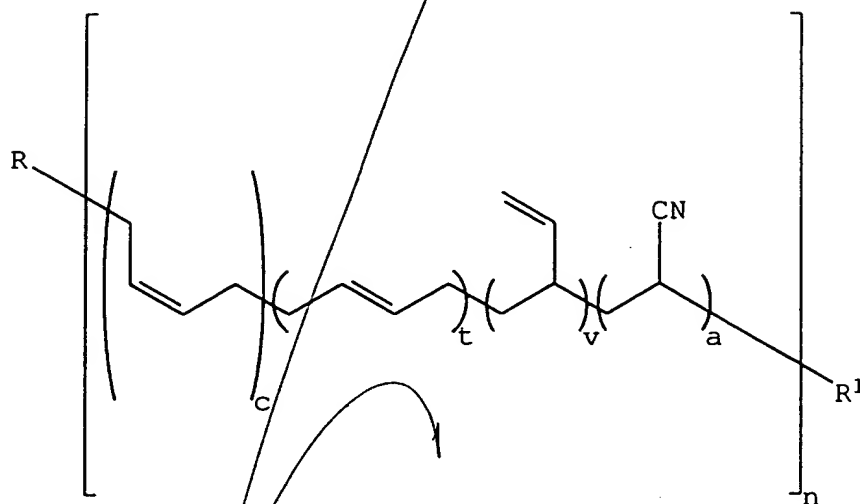


reacting as reactants (a) a dicarboxylic acid-  
functionalized material represented by:



wherein R and R<sup>1</sup> may be the same or different and may be selected from COOH or CAA<sup>1</sup>-X-COOH, A and A<sup>1</sup> may be the same or different and may be selected from hydrogen, halogen, cyano or linear or branched alkyl groups having from 1 to about 5 carbon atoms or linear or branched and X may be selected from linear or branched alkenyl groups having from 2 to about 5 carbon atoms, c+t+v+a=1, and n is an integer in the range of from about 5 to about 750, with (b) an hydroxyalkylating reagent selected from the group consisting of carbocyclic carbonates, [and] carbocyclic sulfites, and combination thereof, in the presence of (c) a phase transfer catalyst under conditions sufficient to form the dihydroxyl-functionalized material.

A<sup>1</sup>

2. (Amended) The process according to Claim 1, wherein said dicarboxylic acid-functionalized material is selected from the group consisting of the [following] dicarboxylic acid-functionalized polymers of: [polyethylene, polybutadiene, [polyisoprene,] poly(butadiene-co-acrylonitrile), [poly(isobutylene), poly-(butadiene-co-styrene), poly(butadiene-co-acrylonitrile-co-acrylic acid), poly(ethyl acrylate), poly(ethyl acrylate-co-n-butyl acrylate), poly(n-butyl acrylate-co-acrylonitrile), poly(butyl acrylate-co-styrene)], poly(acrylonitrile), and combinations thereof.

A<sup>2</sup>

9. (Amended) The process according to Claim 1, wherein said dihydroxyl-functionalized material is selected from the group consisting of the [following] dihydroxyl-functionalized polymers of: [polyethylene,] polybutadiene, [polyisoprene,] poly(butadiene-co-acrylonitrile), [poly(isobutylene), poly-(butadiene-co-styrene), poly(butadiene-co-acrylonitrile-co-acrylic acid), poly(ethyl acrylate), poly(ethyl acrylate-co-n-butyl acrylate), poly(n-butyl acrylate-co-acrylonitrile), poly(butyl acrylate-co-styrene)] poly(acrylonitrile), and combinations thereof.

A<sup>3</sup>

14. (Amended) The process according to Claim 1, wherein the [amount] molar ratio of the hydroxyalkylating reagent to the dicarboxylic acid-functionalized material is [3] about 4 to [10 parts by weight] about 5 [of the carboxylic acid-functionalized material].

Kindly enter new Claims 19-20 as follows:

-- 19. (New) A process for preparing a dihydroxyl-functionalized material by hydroxyalkylating a dicarboxylic acid-functionalized material, said process comprising the step of:

reacting as reactants (a) a dicarboxylic acid-functionalized material selected from the group consisting of the dicarboxylic acid-functionalized polymers of polyethylene, polyisoprene, poly(isobutylene), poly-(butadiene-co-styrene), poly(butadiene-co-acrylonitrile-co-acrylic acid), poly(ethyl acrylate), poly(ethyl acrylate-co-n-butyl acrylate), poly(n-butyl acrylate-co-acrylonitrile), poly(butyl acrylate-co-styrene), and combinations thereof, with (b) an hydroxyalkylating reagent selected from the group consisting of carbocyclic carbonates, carbocyclic sulfites, and combination thereof, in the presence of (c) a phase transfer catalyst under conditions sufficient to form the dihydroxyl-functionalized material.

20. (New) The process according to Claim 19, wherein said dihydroxyl-functionalized material is selected from the group consisting of the dihydroxyl-functionalized polymers of polyethylene, polyisoprene, poly(isobutylene), poly-(butadiene-co-styrene), poly(butadiene-co-acrylonitrile-co-acrylic acid), poly(ethyl acrylate), poly(ethyl acrylate-co-n-butyl acrylate), poly(n-butyl acrylate-co-acrylonitrile), poly(butyl acrylate-co-styrene), and combinations thereof.